



2021 MONTANA HEMP PILOT PROGRAM PLAN

Version 1.1 - January 30, 2021

PURPOSE

This document outlines Montana's 2021 State Hemp Pilot Program policies and procedures to license, monitor the growing locations of and regulate Montana's hemp as an agricultural crop to ensure compliance with state regulations and the Agriculture Improvement Act (Farm Bill) of 2014 until January 2022, or until Montana adopts its U.S. Department of Agriculture (USDA) approved plan. This plan includes many of the requirements listed in the 2018 Farm Bill and USDA's Final Rule.

This State Plan does not apply to hemp grown within the boundaries of tribal reservations. Any person interested in growing hemp on tribal ground, whether a tribal member or not, must seek approval with their resident tribe, where applicable, or the USDA.

AUTHORITY

Title 80, Chapter 18, Sections 101 - 111, Montana Code Annotated, the Administrative Rules of Montana, Chapter 4.19.101 - 202, and the 2014 Farm Bill. Montana State does not have authority over hemp grown within the boundaries of tribal reservations.

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1. DEFINITIONS

1. AOSCA: The Association of Official Seed Certifying Agencies is an organization of agencies that provide internationally recognized seed certification.
2. Certified: as it relates to certification of seed, certification from AOSCA, OECD or another department recognized official certifying agency that the variety of hemp is true to its genetic traits and testing has been completed to determine compliance in regard to THC levels.
3. Crop: a group of plants or Lots in a similar stage of growth that will be harvested within the same allowed time-frame period (e.g., 3 weeks). Example: plants or Lots that cannot be sampled (relative to harvest) at the same time as other plants or Lots would be considered a separate Crop.
4. Hemp Variety Category A: varieties formally approved (produced from “certified” seed and previously grown in Montana) by the department.
5. Hemp Variety Category B: certified (but not previously grown in Montana) varieties approved by other states or countries at a level equivalent to the department’s standard.
6. Hemp Variety Category C: all other hemp varieties that an applicant reasonably believes will not produce a plant with over 0.3% Total THC at any time prior to harvest and are not in Category D.
7. Hemp Variety Category D: includes all varieties forbidden by any federal law or regulation or added by rule by the Department because of its inability to consistently produce hemp.
8. Indoor Grow: hemp plants started, grown, and harvested inside a structure, whether under natural light or using artificial light conditions to manipulate the flowering stage of hemp.
9. Lot: a contiguous or immediate adjoining area of a field or fields, an area containing the same variety or strain of hemp throughout and having a post-sampling harvest window of 3 weeks. Lots must be tracked by the grower from planting through harvest and until the plant is no longer in a raw, unaltered state.
10. Measurement of Uncertainty: the range of possible values within which the true value of the measurement lies.



11. **OECD:** The Organization for Economic Cooperation and Development Seed Schemes are rules used by 58 participating countries to certify and label seed for varietal purity for international movement.
12. **Outdoor Grow:** hemp plants grown and harvested outside under natural light conditions; for the purpose of reporting, includes plants started under greenhouse conditions and transplanted to outdoor conditions.
13. **Strain:** a term used to differentiate cultivars of Cannabis that have not formally been classified as a variety.
14. **Variety:** a taxonomic category that ranks below subspecies (where present) or species, its members differing from others of the same subspecies or species in minor but permanent or heritable characteristics.

2. LICENSING & FEES

The hemp license application period is January through May 30. Licenses are valid until December 31 of the issuance year. The application, applicable documentation, and fees must be postmarked prior to the deadline in order to obtain a license. Licenses cannot be assigned or transferred.

The department issues hemp licenses in (2) two progressive stages. Upon approval of the initial application, eligible applicants will be issued a **Planting Permit** (see **Report 11.1 - [Planting Permit certificate](#)**) so they may purchase seed or live plants and seed or transplant hemp. To receive full licensure, the applicant must submit a Planting Report confirming information about the crop that was planted. Successful candidates will be issued the second stage **Production License** (see **Report 11.2 - [Production License certificate](#)**). The Production License allows for the production, harvest, and transportation of compliant hemp, including processing of hemp grown under the license.

License Application, Stage 1

The initial license application stage requires entity information, key participant information, verification of seed/live plant source, and crop information as outlined below. Additional requirements include payment in full of the nonrefundable application fee, and a signature acknowledging the Attestation Statement as well as the Risk Acknowledgment Statement.

Applicant Information:

The application (see **Form 10.1 - [Hemp License Application](#)**) must be legible and completed in its entirety. If the applicant is a business, the Business License Number on file with the Montana Secretary of State's (SOS) office must be provided as well as an EIN number. A Business Name is only required if you are licensing a registered business.

Key Participants:

The License Application must include the full name and title of each person defined as a Key Participant - "a person or persons who have a direct or indirect financial interest in the entity producing hemp, such as an owner or partner in a partnership. A key participant also includes a person in a corporate entity at executive levels including the chief executive officer, chief operating officer, and chief



financial officer. This does not include other management positions like farm, field, or shift managers”.

Background Checks:

Due to restricted access to obtain fingerprint documentation caused by the COVID-19 emergency, the Montana Department of Agriculture waives the requirement for FBI Identity History Summary documentation for all 2021 hemp license applicants and Key Participants. This does **not** exempt applicants from the federal requirement of having no prior convictions of felony drug charges in the last 10 years.

Seed/Live Plant Source and Verification:

All varieties that meet the definitions of Category A, B, or C are allowed for planting. See **Appendix A - 2021 Seed/Clone Variety List** for information regarding Montana’s hemp variety classifications. Each variety of hemp will be reviewed by the department prior to issuance of the Hemp Planting Permit. The application must include for each variety or strain the quantity of land area requested to be permitted, the grow type, the name and license number of the seed provider or nursery from which you obtained plants, and an indication of purchase: Seed or Live Plants. A copy of the seed label is required for each Category A and B variety. For Category C strains, a copy of the seed label or the Certificate of Analysis (COA) is required.

Variety or strain and location changes made after the application is processed will be subject to a \$50/request change fee. Contact Mikayla Moore to request the Change Request form.

The person providing seed and/or live plants to the grower must be licensed to distribute into the state: seed providers must be licensed in Montana; nurseries must be licensed in their resident state. Growers who purchase live plants must submit a copy of the provider’s resident state hemp license and verification of variety/strain (nursery label, seed label or COA) and be aware of live plant importation requirements.

Fees:

The fees collected must be commensurate with operating the program. All fees must be deposited to the credit of the state special revenue fund for use by the department for administering and enforcing the program. A check, money order or credit/debit card payment must be submitted along with the application for it to be processed.

Licensees who plant a Category C strain are required to pay the \$1,100 fee. This fee includes the initial inspection and testing of the first Category C sample. An additional \$250 testing fee will be required for each additional sample and an additional \$250 inspection/sampling fee will be required for each additional inspection.

Licensees who plant only Category A or B varieties are required to pay the \$850 fee. The initial inspection fee and the first sample testing fee is waived under Montana’s Pilot Program. Additional inspection and testing fees will apply as outlined above.



Regardless of Category planted, growers who request sampling (e.g., insurance claim) will be charged the standard \$250 inspection fee and the standard \$250 testing fee. The department may assess a processing fee of \$100 for any late or incomplete documentation associated with the licensing process and a change fee of \$50 for a request for each new variety/strain or location associated with a previously processed license application.

Application Submission:

Applications must be mailed to Montana Department of Agriculture-Hemp Program, PO Box 200201, Helena, MT 59620-0201. Applications will not be processed until all required information is received.

License Application, Stage 2

To receive full licensure, the applicant must submit a Planting Report (see **Form 10.2** - [Hemp Planting Report](#)) confirming final information about the planted crop. Successful candidates will be issued the **Production License**, allowing for the production, harvest, and transportation of compliant hemp, and providing verification of location(s) and variety/strain(s) of hemp for growing, transporting and for sale purposes.

Report Submission Guidance:

If a grower has multiple plantings per year separated by more than 4-weeks, multiple Planting Reports will be required. Within 4 weeks of planting seeds, receiving starter-plants, or rooting of clones, the permit holder must submit a Planting Report. Plants that are never intended to be harvested must also be reported, including mother plants and plants that are intended to be sold as live plants.

Fees:

No fees are required with the Planting Report. Any additional inspection or testing fees will be invoiced after the testing has been completed.

A license holder that requires multiple sampling events (due to extended or multiple harvest dates, lack of or incorrect harvest date reporting, or requests for subsequent Lot sampling) will be charged \$250 per sample, regardless of the variety Category.

Additional Licensing Information:

- The Planting Report is due as outlined on the form. Late submissions are subject to a late fee.
- Growers intending to sell live plants must conform with the **Appendix B** - [Sale of Live Plant Policy](#).
- To add, change or update a variety, strain or location intended for planting, a licensee must submit the department's amendment request form (see **Form 10.3** - [Hemp Change Request](#)), pay the change request fee and receive department approval.
- A licensee must report any changes to contact information listed on the licensee's application form within 10 days of the change by emailing the department at hempinfo@mt.gov.
- License holders with unpaid testing fees from a previous year are ineligible for subsequent hemp license(s).



- Any applicant that does not meet the conditions of the Production License will forfeit their Planting Permit and the crop will require destruction. Harvesting hemp without a state issued Production license is a violation of state and federal law.

Research License Component

The department will implement a 'research' license component for hemp in 2021. This license will be in addition to the regular 'commercial' license requirement for growing hemp. In the context of this license, 'research' means "growing hemp in a manner which the resulting hemp may not conform to the USDA guidelines in some manner. This includes but is not limited to the use of a pesticide not approved for hemp, efforts to lower a cultivar's THC level through hybridization, or development of new cultivars which are not from certified seed. Research must be conducted with the intent of improving or expanding upon the genetics and/or cultivation practices of hemp".

Not every person who wants to experiment or conduct research with hemp varieties will require a Research License. If a person is interested or believes they require the Research License, contact Hemp Program personnel to discuss your operation and plans. Forms to apply for this license will not be available on the department's website, but illustrations can be found in **Section 12** - [Research License Forms and Reports](#).

Hemp plants and plant parts:

1. cannot enter commerce;
2. cannot be used for personal use or gain;
3. can only be grown indoors unless granted an exception from the department;
4. can only be grown with the goal of establishing improved hemp genetics or other legitimate purposes approved by the department;
5. must be tracked and reported to the department beginning with the license application and throughout the licensing year; and
6. shall be destroyed, other than seed for propagation used for further research and potential future genetics.

All research findings must be reported to the department. The THC testing of research plants is the responsibility of the license holder. Proven and established varieties must be approved by the department before entering a non-research phase and entering commerce.

3. REPORTING REQUIREMENTS

Harvest Notification - Each license holder is responsible for contacting the department a minimum of 30 days prior to harvest to confirm actual harvest date and schedule a pre-harvest inspection. Crops harvested without notification of harvest, regardless of Category, are subject to destruction. Crops harvested later than the time allowed after official sampling are also subject to destruction. Crops that are not harvested within the time frame allowed after official samples are collected may result in additional sampling with the license holder being responsible for additional fees and a non-compliance.



FSA Reporting - Each license holder is required to report their hemp growing locations and acreage to the USDA Farm Service Agency (FSA). Information on this requirement can be found in USDA's Final Rule at <https://www.ams.usda.gov/rules-regulations/hemp> or by contacting your county FSA office. A complete list of Montana local FSA offices can be found at <https://www.fsa.usda.gov/state-offices/Montana/index>.

Each licensee must annually submit an [Annual Hemp Harvest/Distribution Report](#) (see **Form 10.4**) listing the harvest and sale or distribution of any hemp grown by the licensee. The report must include:

- name and address of the person receiving the hemp,
- quantity of harvested area (i.e., acres or plants)
- crop yield (i.e., pounds/acre or plants/Lot)
- the form of the product sold or distributed, listed as:
 - Grain, used primarily as a food
 - Seed, used for further propagation
 - Flower, buds of the plant
 - Stalk, stem of plants with or without fan leaves (containing no flowers) intended for use in the fiber industry
 - Whole plant, entire plant not including the roots

A licensee must keep all records related to the planting, growing, harvesting, storage, destruction, distribution, sale and/or processing of hemp, and make those records available for inspection for a minimum of three years.

4. INSPECTIONS & SAMPLING

The department will conduct inspections and perform sampling of hemp as outlined in **Appendix C - [2021 Inspection and Sampling Guidance](#)**, (Version 1.1-01/28/2021), along with associated forms.

With the issuance of USDA's Final Rule, AMS has determined that requiring a 15-day post-sample harvest window may place undue strain on state resources and believes that an extension to a post-sample harvest window of 30 days would provide producers with a beneficial flexibility to adjust to unforeseen weather events and complicated harvest processes. Although the department realizes this may be needed on a case-by-case basis and will implement as necessary, it believes our current 3-week pre-harvest sampling window provides for a more uniform sampling process and more accurate testing of hemp crops. The department will use 3 weeks as the standard pre-harvest sampling window in 2021.

5. LABORATORY TESTING

The department utilizes the Montana State University Analytical Lab located in Bozeman, MT for official state hemp sample testing. The Montana State Hemp Pilot Program recognizes the 2018 Farm



Bill testing methodology that requires using a post-decarboxylation method, which includes the calculation of THCA for a measurement of Total Delta9-THC on a dry weight basis. The department uses the lab's official Measurement of Uncertainty (MU) of 0.0453% in its determination of compliance regarding Total THC levels of concentration. Official test results will be reported on **Report 11.3 - [Hemp Sample Lab Report](#)**.

$$\% \text{ Total Delta9-THC} = \% \text{ Delta9-THC} + (\% \text{ Delta9-THCA} \times 0.8772)$$

Jona Verreth, Laboratory Bureau Chief
McCall Hall, Montana State University
PO Box 173620
Bozeman, MT 59717-3620
Phone: (406) 577-7918
E-mail: JVerreth@mt.gov

The laboratory is a DEA-registered lab in regard to cannabis testing, is accredited to ISO/IEC 17025 for the specific tests listed on A2LA Certificate Number 2694.01. The laboratory is certified in forage analysis by NFTA.

6. INVOICING FOR ADDITIONAL SAMPLING & TESTING

The fees for additional inspections and samples tested will be invoiced to each license holder after testing is completed. Invoices are due upon receipt. An unpaid balance of more than 30 days is subject to a \$100 late fee. Non-payment may result in ineligibility of future licensure.

7. ENFORCEMENT

For determining the "acceptable hemp THC level" in regard to compliance, the department uses its official Measurement of Uncertainty (MU) of 0.0453% in addition to the standard 0.3% Total THC level of concentration allowance. Example calculations are as follows:

- Compliant: a result of 0.3503 +/- MU of 0.0453 = range of 0.305 to 0.3956 (0.305 rounds to 0.30)
- Violation: a result of 0.3504 +/- MU of 0.0453 = range of 0.306 to 0.3957 (0.306 rounds to 0.31, which is greater than the allowable 0.3%)

For violations regarding Total THC levels of official samples, the department will utilize the procedures and guidance outlined in **Appendix D - [Mitigation Guidance](#)**. The following reports will be used to notify license holders of sample results and, as applicable, any compliance issues:

- **Report 11.4 - [Hemp Sample Results letter, Information](#)**
- **Report 11.5 - [Hemp Sample Results letter, Affidavit](#)**
 - **Form 10.5 - [Hemp Affidavit](#)**
- **Report 11.6 - [Hemp Sample Results letter, Corrective Action Plan](#)**
- **Report 11.7 - [Hemp Sample Results letter, Destruction](#)**



For any violation of state or federal regulations regarding hemp, the department has the responsibility to determine whether the violation will be treated as negligent or greater than negligent.

For negligent violations, the department will require a corrective action plan for the producer. The producer shall comply with the corrective action plan to cure the negligent violation. Corrective action plans will be in place for a minimum of two (2) years from the date of their approval. If a subsequent violation occurs while a corrective action plan is in place, a new corrective action plan must be submitted with a heightened level of quality control, staff training, and quantifiable action measures. Any person whose violation is not corrected as outlined in the Corrective Action Plan may have their license(s) suspended or terminated after 30 days written notice.

Examples of violations the department may consider as Negligent include:

- Failure to provide, or accurately provide, a legal description of the land on which the producer produces hemp,
- Failure to obtain a hemp license,
- Failure to maintain required records,
- Failure to submit required and accurate information,
- Conducting harvest later than the time allowed post sampling without prior approval, and
- Produce Cannabis with a Total THC concentration of greater than 1.0% on a dry weight basis.

A producer who negligently violates this plan three times in a five-year period will be ineligible to produce hemp for a period of five years from the date of the third violation. A Negligent violation will not be subject to criminal enforcement action by the federal, tribal, state, or local government.

For violations made with a culpable mental state greater than negligence¹, the department will notify the respondent, report the respondent to the US Attorney General, the Montana Attorney General and the local law enforcement agency, and begin proceedings for suspension of licensure. Corrective action plans are not available for these violations. Findings of a violation greater than negligent will result in revocation of licensure.

¹ - "Culpable mental state greater than negligence" is a term used in the 2018 Farm Bill to determine when certain actions would be subject to specific compliance actions. This term means to act intentionally, knowingly, willfully, recklessly, or with criminal negligence.

Examples of violations the department may consider greater than negligent include:

- Three negligent violations in a five-year period,
- Failure to disclose a conviction of a felony relating to a controlled substance under State or Federal law within the past 10 years while possessing a state hemp license,
- Failure to obtain a hemp license,
- Materially falsifying information, and
- Intentionally, knowingly, or recklessly producing hemp greater than 1.0% Total THC on a dry weight basis.



Penalty Matrix

All violations of Montana's Hemp Plan are considered violations of state regulations and will be recorded as a discrepancy against the license holder. Per federal regulations, a maximum of one strike per calendar year can be issued to an entity who violated state or federal regulations. A violation may be considered a violation greater than negligent. Each violation may be considered separately.

In determining violations, the department will consider the nature of the violation, the outcome of the violation, and any harm, financial or health, resulting from the violation. The department will weigh and consider the standard of care that a reasonably prudent person would have exercised in a similar situation when determining whether a violation was committed with a culpable mental state greater than negligence and assigning penalties. Such violations may be subject to other state, tribal or federal regulatory action.

Additionally, the department provides the following as guidance for distinguishing violations and strikes:

- A single violation may be considered as a single strike
- Multiple violations of the same nature occurring simultaneously may be combined and considered as a single strike
- Multiple violations, whether of the same or differing nature, occurring subsequently in the same calendar year where the offender had the opportunity to correct the circumstances of the violation will be considered as multiple violations and considered a single strike
- Official lab results from an official sample not greater than 0.5% Total THC is considered within the safe harbor range and is not considered a violation or a strike
- Official lab results from an official sample greater than 0.5% but not greater than 1.0% Total THC is a violation but is not considered a strike
- Official lab results from an official sample greater than 1.0% Total THC is a violation and is considered a strike
- Official lab results of multiple samples representing multiple Lots of the same variety/strain grown as a concurrent crop may be combined to represent a single violation and a single strike
- Official lab results of multiple samples representing multiple Lots of the same variety/strain grown as a subsequent crop may be considered as multiple violations and a single strike
- Official lab results of multiple samples representing multiple Lots of different varieties/strains will be considered as multiple violations and a single strike
- Planting or propagation of hemp without the proper licensing is considered a single strike
- Failure to maintain or submit accurate records as required is considered a single strike
- Conducting harvest without proper notification is considered a single strike
- Conducting harvest later than the allowed time frame after official sampling is considered a single strike

An administrative hearing or informal appeal under MAPA is available if a party timely chooses to



dispute either level of violation or the corrective action plan. The department may reinstate the license if good cause is shown and the reinstatement fees are paid.

Corrective Action Plans

For any negligent violation, the license holder must submit a written proposal to correct, dispose of and/or destroy the non-compliant hemp to the department within 15-business days of notification of the violation. The proposal form (see **Form 10.6 - [Proposal for Correction/Disposal/Destruction](#)**) must include, but is not limited to, a list of responsible parties, a reasonable time frame in which the resolution will be implemented, all information necessary to prove compliance, the location, the Lot number, Lot size, variety/strain of hemp, and equipment and method used. Upon approval, the department will issue and require signatures on a Corrective Action Plan, see **Report 11.8 - [Hemp Corrective Action Plan](#)** (template). Resolution must be completed within the timeframe outlined in the plan.

Allowable Corrective Action Plans include:

- Removal and destruction of THC by a Montana licensed hemp processor in Montana
- Removal and destruction of non-compliant plant parts (e.g., flowers) and sale or distribution of salvageable plant parts (e.g., fiber).

All violations will be documented and the respondent notified in formal correspondence, see **Report 11.9 - [Notice of Violation](#)** as a template of enforcement proceedings.

8. DISPOSAL/DESTRUCTION OF HEMP

Any disposal or destruction of hemp, whether voluntary or by order of the department must comply with state procedures. The license holder is responsible for assuring the non-compliant hemp plant or plant parts are rendered into a non-retrievable or non-ingestible form and is non-viable for further propagation, distribution, or sale. The license holder is responsible for the control of volunteer plants of hemp in following years. The license holder must notify the local sheriff's office of any destruction or disposal process.

Examples of reasons the department will require destruction include:

- A lack of records indicating the hemp was produced by a licensee or on a registered growing site,
- Lack of control by the license holder,
- Total THC level exceeding 1.0% on a dry weight basis, and
- Total THC level exceeding 0.5% on a dry weight basis without an approved Corrective Action Plan for remediating the hemp into a compliant commodity.

Options of allowed disposal/destruction methods include, but are not limited to:

- plowing under, disking, or composting a crop into green manure for use on the same land,
- chopping or mowing a crop and incorporated into the soil on the same land,



- deep burial of plants or plant parts, and
- devitalization or sterilization of seed (devitalized seed can be sold as grain),
 - Options include:
 - Steam Heat – The use of steam for rendering seed or grain non-viable requires that the seed lot be homogenous and that all parts of the seed lot be subjected uniformly and continuously to steam heat for a minimum of 15 minutes. The entire lot must be exposed to live steam. If subsequent testing shows that the lot is not 100% non-viable, the process must be repeated.
 - Infra-Red Radiation – Industrial Hemp can be rendered non-viable through an infra-red cooking process. This is accomplished by first tempering the seed to a moisture content of 13 to 14 percent. The seed is then heated using natural gas generated infra-red energy of a wavelength of 1.8 to 3.2 microns. The seed must be heated to a minimum temperature of 230 degrees Fahrenheit. The seed flow rate must be set to assure that the time of cooking includes heating time from ambient to treatment temperature, and that treatment time is sufficient to result in non-viable seed. If subsequent testing shows that the lot is not 100% non-viable, the process must be repeated.

For crops, plants or plant parts that are required to be disposed of or destroyed by the department, the grower must submit **Form 10.6** - [Proposal for Correction/Disposal/Destruction](#) providing applicable information for approval prior to disposal/destruction. Additional requirements include submission of pictures showing proof of destruction and a form signed by an independent third party verifying the witness visually observed the disposal/destruction, see **Form 10.7** - [Witness Statement](#).

The department must submit a monthly report to USDA of any destruction occurrence of non-compliant plants or plant parts. The report shall contain the following information:

- Name and address of the license holder,
- License or authorization identifier,
- Location information (e.g., lot number, location type and geospatial location),
- Test results,
- Information on the person handling the disposal,
- Disposal completion date, and
- Total grow area.

9. APPENDICES - Illustrated for reference on pages 13 through 15. Actual documents required by an applicant can be found on the department's hemp webpage at <https://agr.mt.gov/Industrial-Hemp>.



Appendix A - 2021 Hemp Seed/Clone Variety List



Montana Hemp Pilot Program 2021 Montana Hemp Seed/Clone Variety List

December 31, 2020

Category A - are Certified varieties formally approved by the department.

| | | | | |
|----------------------------|-------------------|-----------|-------------------|---------------------|
| Bialobrzeskie ¹ | CFX-1 | CFX-2 | CRS-1 | Canda |
| Carmagnola | Carmagnola Select | Fedora 17 | Grandi | Henola ¹ |
| Joey | Katani | Piccolo | X-59 ¹ | |

¹ - New as Category A in 2021

Category B - are Certified varieties approved by other states or countries at a level equivalent to the departments. The Department recognizes seed certifications by the Association of Official Seed Certifying Agencies (AOSCA) and the Organization for Economic Cooperation and Development (OECD) standards for Category B.

| | | | | |
|-------------|-----------------|--------------------|---------------------|----------------|
| Altair | Alyssa | Angie | Anka | Armanca |
| Asso | B 11 | Beniko | CS | CanMa |
| Cannakomp | Carma | Carmen | Carmaleonte | Chameleon |
| Codimono | CHA | CHY | Crag | Dacia Secuieni |
| Debbie | Delores | Delta 405 | Deltallosa | Denise |
| Diana | Dioca 88 | Deni | ESTA-1 | Eco Aglegra |
| Eco Nebliss | Eletta Campana | Epsilon 68 | Elite | Fasamo |
| Fedrina 74 | Felina 32 | Felina 34 | Ferimon | Fibrol |
| Fibranova | Fibrante | Fibriko | Fibrimon 24 | Fibrimon 56 |
| Finola | Futura 75 | Georgina | GranMa | Glecia |
| Gliana | Helena | Hiration | IDA-0103 | Ivory |
| Judy | Jutta | KC Bonusz | KC Dora | KC Virtus |
| KC Zuzana | Kompolti | Kompolti Hibrid TC | Kompolti Sargaszaru | Laura Secord |
| Lipko | Lovrin 110 | Marcell | Marina | Markant |
| Martha | Medicine Mother | Monoica | Nadine | Novosadska |
| Petera | Quida | Rajan | Ratza | Santhica 23 |
| Santhica 27 | Santhica 70 | Secuieni Jubileu | Silesia | Silistrenski |
| Silvana | Succesiv | Szarvasi | Tiborszallási | Tisza |
| Tygra | UC-RGM | USO 4 | USO 31 | Uniko B |
| VC Star | Victoria | Villanova | Wojko | Yvonne |
| Zenit | Zolotonosha 11 | Zolotonosha 15 | | |

Category C - are all other hemp varieties or strains that an applicant reasonably believes will not produce a plant with over 0.3% Total THC at any time prior to harvest and are not in Category D.

Category D - includes all strains forbidden by any federal law or regulation or added by rule by the Department because of its inability to consistently produce hemp.

2021 Montana Hemp Plan - Appendix A

V1.0-12/31/2020

Appendix B - Sale of Live Plants Policy



Requirements for the Sale of Live Hemp Plants

- 1.) The seller must have a current hemp license,
- 2.) The seller must have a current nursery license,
- 3.) The seller must verify the buyer has a current hemp license,
 - o The seller will need to review the hemp license list on the Department's website and record the buyer's license number on the invoice. A sale may not be made to an individual not listed on the Department's licensee list
 - o The seller must submit a weekly report to the Department listing each sale of a live hemp plant and the buyer's name, address and hemp license number
 - o The seller must notify the buyer to send updates to the Department for the additional varieties
- 4.) The seller must send the Department an official lab report listing the Total Delta 9-THC % test results of mature flowers from the mother plant(s),
- 5.) The Department will require the seller to grow out 1 (or more) mother plants to the bud stage so it can be sampled and tested within the typical maturity period of the variety for the plants sold,
 - o If the mother plant tests above the 0.3% Total Delta 9-THC threshold, all plants (including those already sold) will be subject to mitigation/destruction
 - o During the Department's inspection of the seller, the Department may audit their records and randomly select a percentage of sales to verify hemp plants were only sold to licensed growers
- 6.) In the event that items 3, 4 and/or 5 cannot be met, an appeal may be made to the Department Director outlining the reasons for why an exception or equivalency should be granted.



Ben Thomas, Director
Montana Department of Agriculture

Appendix C - 2021 Inspection and Sampling Guidance

(not available for illustration, click [here](#) to see complete document)

Appendix D - Mitigation Guidance



2021 Montana Hemp Pilot Program Mitigation Guidance


Mitigation Guidance for Hemp Test Results

1. Official Lab Report of total delta-9 THC results are **not greater than 0.3%** on a dry matter basis
 - License holder receives the **Informational** documentation with Lab Report attached via email
 - Product is allowed to be distributed, sold and/or processed by the grower
2. Official Lab Report of total delta-9 THC results are **greater than 0.3% but not greater than 0.5%** on a dry matter basis
 - License holder receives the **Affidavit** documentation with Lab Report and Affidavit form attached via email and Certified mail
 - Product is allowed to be distributed, sold and/or processed by the grower when the signed Affidavit is received by the department
 - Grower and Processor are responsible for assuring the Total THC is not greater than 0.3%
3. Official Lab Report of total delta-9 THC results are **greater than 0.5% but not greater than 1.0%** on a dry matter basis
 - License holder receives the **Corrective Action** documentation with Lab Report attached via email and Certified mail
 - License holder must return the Corrective Action Plan form outlining their plan to remediate and/or destroy the represented Lot(s)
 - Mitigation options include:
 - Extraction of and legal disposal of THC by a licensed processor
 - Harvest of grain/seed and/or fiber only
 - All methods require a written plan approved by the department and signed by all persons involved
 - Testing of final product (e.g., tinctures, salves) may be required on a case-by-case basis. Tests results may be allowed from private labs.
4. Official Lab Report of total delta-9 THC results are **greater than 1.0%** on a dry matter basis
 - License holder receives the **Destruction** documentation with Lab Report via email and Certified mail
 - License holder must return the Corrective Action Plan form outlining their plan to destroy the represented Lot(s)
 - Harvest of grain/seed and/or fiber may be allowed with a written plan approved by the department and signed by all persons involved
 - Requires Hemp Witness Statement form signed by license holder and an independent third-party witness



10. LICENSE FORMS - Illustrated for reference on pages 16 through 22. Forms with complete Instructions can be found on the department's hemp webpage.

10.1 Hemp License Application (Stage 1)



HEMP PROGRAM
 PO Box 200201-Helena, MT 59620-0201
hempinfo@mt.gov – (406) 444-5430

2021 INDOOR/OUTDOOR HEMP LICENSE APPLICATION

Application deadline: Outdoor - May 30, 2021 / Indoor - No deadline • Valid through December 31, 2021

| APPLICANT INFORMATION | | Were you previously licensed? If yes, provide your License Number: MTSHP- | | | |
|-----------------------|------------|---|----|------------|--------|
| Business Name | | SOS Number | | EIN Number | |
| Last Name | | First Name | | | MI |
| Physical Address | | City | ST | ZIP | County |
| Mailing Address | | City | ST | ZIP | |
| Phone | Cell Phone | Email | | | |

| NAMES and TITLES of KEY PARTICIPANTS | | | | |
|--------------------------------------|-------|-------|-------|--|
| Full Name | Title | Phone | Email | |
| Full Name | Title | Phone | Email | |
| Full Name | Title | Phone | Email | |
| Full Name | Title | Phone | Email | |

Seed/Live Plant Source and Verification - Complete the information for each variety/strain you are applying to grow, all information and attachments are **required**. Use the optional page 2 if necessary. See more detailed instructions on pg 3.

| Variety/Strain | Quantity | Grow Type | Name of Licensed Seed Dealer or Nursery | License Number (of Seed Dealer or Nursery) | Seed or Live Plants? |
|----------------|---------------------------------|-----------|---|--|----------------------|
| | Acres for Outdoor (O) | | | | |
| | Number of Plants for Indoor (I) | | | | |
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A non-refundable application fee is required with this application, see Instructions for details.

☐ \$1,100 - Category C growers
 ☐ \$850 - Category A or B only growers

ATTESTATION STATEMENT - I hereby certify that the information contained in and submitted with this application is true and correct. Persons who violate federal laws regarding hemp may be subject to federal prosecution. I agree to comply with Section 80-18-101 through 80-18-111, MCA, ARM 4.19.101 - 202, and with other state and federal regulations, including consent to entrance of related properties by department personnel for inspection and testing of hemp. I further acknowledge that I have read, accept and agree to the conditions outlined in the accompanying Risk Acknowledgement Statement.

| | |
|-------------------------|------------------|
| Applicant Printed Name: | Applicant Title: |
| Applicant Signature: | Date: |

MT Hemp Plan: Form 10.1 - 2021 License Application, Stage 1
Page 1 of 5
Ver 1/29/21



10.2 Hemp Planting Report (Stage 2)



HEMP PROGRAM
PO Box 200201-Helena, MT 59620-0201
heminfo@mt.gov - (406) 444-5430

Montana Hemp Pilot Program 2021 HEMP PLANTING REPORT

| PERMIT INFORMATION | |
|-------------------------|--------|
| 2021 Hemp Permit Number | MTSHP- |
| Permittee Name | |
| Business Name | |

- The Hemp Planting Report must be complete and accurate of all hemp varieties or strains seeded or transplanted. See the enclosed instructions and form for submission of this information.
- If you acquired the Hemp Planting Permit, you **must** submit the Planting Report, regardless of whether you planted or not, or had a crop failure. The Hemp Planting Report submission **due dates** are:
 - Indoor and Outdoor crops
 - Within 4 weeks after planting seeds, receiving starter-plants, or rooting of clones
 - If a crop, lot or a certain variety/strain was not planted, report "Not Planted"
 - If a crop, lot or a certain variety/strain failed and will not be harvested, report "Crop Failed"
 - For Outdoor crops, the Hemp Planting Report is due no later than July 30th
 - Late or incomplete submissions are subject to a \$100 late fee.
- The Hemp Planting Report must be received and approved before the Production License can be issued. Allow approximately 3 - 4 weeks for processing of the Production License.
- The 2021 Production License is required to harvest, process and transport 2021 hemp crop. **Any applicant that does not meet the conditions of the Production License will forfeit their Planting Permit and the crop will require destruction.** Harvesting hemp without a Production License is a violation of state and federal law.
- Each license holder, regardless of Category of hemp grown, is responsible for contacting the department a minimum of 30 days prior to harvest to confirm actual harvest date and schedule a pre-harvest inspection. Hemp that is harvested without notification will require destruction. The scheduling of your inspection will be coordinated between you and the district inspector. The list of district inspectors can be found in the instructions and on our website at <https://agr.mt.gov/Industrial-Hemp>.

ATTESTATION STATEMENT - I hereby certify that the information contained in and submitted with this application is true and correct. Persons who violate federal laws regarding hemp may be subject to federal prosecution. I agree to comply with Section 80-18-101 through 80-18-111, MCA, ARM 4.19.101 - 202, and with other state and federal regulations, including consent to entrance of related properties by department personnel for inspection and testing of hemp.

| | | | |
|-------------------------|--|------------------|--|
| Permittee Printed Name: | | Permittee Title: | |
| Permittee Signature: | | Date: | |

2021 MT Hemp Plan: Form 10.2 - Planting Report

Page 1 of 4

V01/29/21



MONTANA HEMP PILOT PROGRAM

2021 HEMP PLANTING REPORT

List each Lot of hemp seeded or transplanted. The number of Lots are determined by variety or strain, location, growing conditions and harvest date. See the Instructions for important information on what must be included in this application and how to complete this form. Detailed aerial maps must be included for each growing location (field or indoor structure). For indoor growers with multiple crops per year, multiple reports will be required. If additional space is needed, make a copy of this form and label as Page 3.

| Lot # | Variety or Strain | Quantity of Grow Area | Grow Type | Estimated Harvest Period | Primary Market (CBD, Fiber, Grain, Seed for Planting, or Live Plants) | Latitude/Longitude of Center of Field or Indoor Structure | Physical County of Lot | Landowner Name | Landowner Signature |
|-------|-------------------|--|-----------|--------------------------|---|---|------------------------|----------------|---------------------|
| | | Acres for Outdoor (O) Number of Plants for Indoor (I) | | | | | | | |
| 1 | | | | | | | | | |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
| 9 | | | | | | | | | |

2021 MT Hemp Plan: Form 10.2 - Planting Report

Page 2 of 4

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10.3 Hemp Change Request



HEMP PROGRAM
PO Box 200201-Helena, MT 59620-0201
hempinfo@mt.gov – (406) 444-5430

2021 INDOOR/OUTDOOR HEMP CHANGE REQUEST FORM

| PERMIT INFORMATION | |
|-------------------------|--------|
| 2021 Hemp Permit Number | MTSHP- |
| Permittee Name | |
| Business Name | |

| List the information previously submitted in the first line and any requested changes in the second line. | | | | | |
|---|-----------------------|---------------------------------|---|---------------------------------|----------------|
| Variety or Strain | Quantity | Grow Type | Name of Licensed Seed Dealer or Nursery with License Number | Location (Latitude / Longitude) | Landowner Name |
| | | | | | |
| | Acres for Outdoor (O) | Number of Plants for Indoor (I) | | | |
| (1) | | | | | |
| (1) | | | | | |
| (2) | | | | | |
| (2) | | | | | |
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| (5) | | | | | |
| (5) | | | | | |
| (6) | | | | | |
| (6) | | | | | |

| | | | |
|-------------------------|--|------------------|--|
| Applicant Printed Name: | | Applicant Title: | |
| Applicant Signature: | | Date: | |



10.4 Annual Hemp Harvest/Distribution Report

MONTANA DEPARTMENT OF AGRICULTURE
Montana State Hemp Program
PO Box 200201
Helena, Montana 59620-0201

2021 ANNUAL HEMP HARVEST REPORT

Report submitted for licensee:

<<F NAME>> <<L NAME>> - <<BUSINESS NAME>> - MTSHP-#### Signature: _____ Date: _____

List the required information for each Lot grown under this license. Report all quantities in acres, sq ft, plants, or pounds. If a Lot was harvested to produce multiple end-uses (e.g., grain and stalk, flower and seed), list separately. The 'Quantity Not Harvested' is for reporting crop that was not planted, lost due to crop failure, or not harvested due to quality issues; *all crop in this category must have been or will be destroyed*.

| Crop/Lot Number | Variety | Original Lot Size | Quantity Not Harvested (acres, sq ft or plants) | Lot Size Harvested (acres, sq ft or plants) | Harvest Date | Yield (report in pounds per acre or pounds per Lot) | Form (grain, seed, flower, stalk, or whole plant) |
|-----------------|---------|-------------------|---|---|--------------|---|---|
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Montana Hemp Plan 10.4 - Harvest/Distribution Report

V1.0-1/5/21

2021 ANNUAL HEMP DISTRIBUTION REPORT

Report submitted for licensee:

<<F NAME>> <<L NAME>> - <<BUSINESS NAME>> - MTSHP-#### Signature: _____ Date: _____

List the required information for each person or entity hemp was distributed to. If hemp was distributed in various forms to the same person or entity, list each form on a separate line. The License Number of the person receiving the hemp is the license they hold to receive and possess hemp. The Lot Number is optional as it may not be known for crops prior to 2021.

| Individual or Entity Name | License Number (of person receiving hemp) | Physical Street Address/City/State | Quantity Distributed (listed in pounds) | Form of Product Distributed (grain, seed, flower, stalk, or whole plant) | Calendar Year Harvested | List the Lot Number from which this product was produced |
|---------------------------|---|------------------------------------|---|--|-------------------------|--|
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Montana Hemp Plan 10.4 - Harvest/Distribution Report

V1.0-1/5/21



10.5 Hemp Affidavit



2021 Montana Hemp Pilot Program Hemp Affidavit

An official sample, as noted below, of hemp plant parts was collected by the Montana Department of Agriculture for the following licensee:

<<BUSINESS NAME>>

<<FIRST NAME LAST NAME>>

License Number: MTSHP-<<LIC #>>-21

<<ADDRESS>>

<<CITY, ST ZIP>>

Sample Number: _____

Variety: _____

Lot ID: _____

Lot Quantity: _____ (expressed in acres, pounds, sq. ft. or number of plants)

The Total Delta 9-THC concentration is greater than the allowed 0.3% on a dry weight basis, but within the safe harbor range of 0.5%. The department requires this affidavit be signed by the license holder, notarized and returned to the department prior to product from the lot sampled being commingled, processed or sold.

I, the undersigned, will:

☐ process said lot to be not greater than 0.3% Total Delta 9-THC in the final product prior to selling.

☐ be responsible for assuring the buyer that processes said lot will produce a product to be not greater than 0.3% Total Delta 9-THC in the final product.

License Holder (printed name)

License Holder (signature)

Date

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Montana

County of _____ } SS.

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20____, by

name of signer(s)

provided to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(seal)

signature of notary public



10.6 Proposal for Correction/Disposal/Destruction



2021 Montana Hemp Pilot Program

PO Box 200201, Helena, MT 59620

Proposal for Correction/Disposal/Destruction Form

Written plans are required to include the following information:

| | | | |
|--|--|-----------------|---------|
| Licensee Name: | | License Number: | MTSHP - |
| Business Name: | | | |
| Lot Number(s): | | | |
| Quantity of Lot: | (expressed in acres, number of plants or pounds) | | |
| Variety or strain: | | | |
| Location: | (of original Lot) | | |
| | (of remediation, disposal, or destruction) | | |
| Timeframe: | Start date: Completion date: | | |
| Method of Correction, Disposal and/or Destruction: | | | |
| Party(s) Involved: | | | |
| Equipment Utilized: | | | |

This form is to propose a plan for THC remediation and/or disposal or destruction of hemp for a specific Lot(s). Plans may be submitted by mail to the address above or emailed. For assistance, contact Andy Gray by phone at (406) 444-0512 or by email at angray@mt.gov.

NOTE: Any disposal or destruction of hemp must be visually observed by an independent third party and requires a signed Witness Statement form be submitted to the department. The local sheriff's office must also be notified of each disposal/destruction occurrence.



10.7 Witness Statement



2021 Montana Hemp Pilot Program

PO Box 200201, Helena, MT 59620

Disposal/Destruction Witness Statement Form

| | | | |
|--|--|-----------------|--------|
| License Holder Name: | | License Number: | MTSHP- |
| Variety or strain: | | Lot Number(s): | |
| Quantity and form of hemp to be destroyed: | | | |

Acknowledgment:

This form represents a legal document for which civil or criminal liability may attach. By signing below, both Witness and License Holder assert the truth of statements and information provided.

Any false statements or misrepresentations of material fact contained herein shall constitute perjury and may result in the imposition of a fine, imprisonment, or both.


| | | | |
|---|--|----------------------|--|
| Witness Name: | | Date of Destruction: | |
| Witness' Signature: | | Signature Date: | |
| Witness' Relationship with Licensee: | | | |
| Statement (include names of individuals involved, method of destruction, and quantity destroyed): | | | |
| | | | |
| | | | |
| <i>I attest the above information is accurate and truthful.</i> | | | |
| License Holder Signature: | | Date: | |

Any disposal or destruction of hemp must be visually observed by an independent third party and requires this signed Witness Statement form be submitted to the department. The local sheriff's office must also be notified of each disposal/destruction occurrence. Plans may be submitted by mail to the address above or emailed. For assistance, contact Andy Gray by phone at (406) 444-0512 or by email at angray@mt.gov.



11. LETTERS and REPORTS - Illustrated for reference on pages 23 through 31.

11.1 Planting Permit certificate



406.444.5430 • Fax: 406.444.9493 • hempinfo@mt.gov • www.agr.mt.gov/hcmp

January 4, 2021

<<BUSINESS NAME>>
<<F NAME>> <<L NAME>>
<<ADDRESS>>
<<CITY, ST ZIP>>

Hemp Entity Number: <<ENT #>>
Permit Number: MTSHP-<<ENT #>>-21

RE: Hemp Planting Permit

Dear <<F NAME>> <<L NAME>>,

Below is your Hemp Planting Permit. It allows for the purchasing of hemp seed and/or clones, as well as the seeding and transplanting of hemp in Montana during the 2021 calendar year. Additional requirements, including the submission of Stage 2 licensing requirements and notification of harvest, must be met before the permit holder is allowed to harvest, process or transport hemp grown in 2021.

MONTANA DEPARTMENT OF AGRICULTURE
PO Box 200201 - Helena, Montana 59620-0201

2021 HEMP PLANTING PERMIT

This is to certify that

<<Company Name>>
<<F Name L Name>>
<<Address>>
<<City, ST ZIP>>

Permit Number: MTSHP-<<####>>-21
Permit Type: <<Type>>

is permitted by the Montana State Hemp Program to:

- Purchase hemp seed and clones
- Seed and transplant hemp in Montana

The licensee must report all plantings of hemp to the department and provide additional information for each crop to receive the full licensure of the Hemp Production License. This certificate alone does not allow for the harvest of hemp.

This License Expires: December 31, 2021
Issue Date: January 4, 2021


Director, Montana Department of Agriculture

Montana Hemp Plan - 11.1-Planting Permit Page 1 of 1 V1.0-12/23/20



11.3 Hemp Sample Lab Report

Page 1 of 1



302 N Roberts, PO Box 200201
Helena, Montana 59620-0201
406.444.3144 Fax: 406.444.5409 agr@mt.gov www.agr.mt.gov

Steve Bullock
Governor

To: Andy Gray
Hemp Program Coordinator

From: Jona Verreth
Laboratory Bureau

Subject: Test Result for H-1234 A

License Number: 0209 **Laboratory Number:** AC00603

License Holder Name: Andy Test **Inspector's Name:** Andy Gray

Business Name: Test CR Company **Collected:** 04/06/2020

Variety: CFX-2 **Received:** 04/15/2020

Category: C **Printed:** 04/23/2020

Lot ID: 001


Latitude/Longitude: 48.1234/-105.1234

| Analyte | Results | Unit | Pass / Fail |
|------------------------------------|---------------|----------|-------------|
| Delta9-THC dry weight | 0.1446 | % | |
| Delta9-THCA dry weight | 0.2345 | % | |
| Total delta9-THC dry weight | 0.3503 | % | PASS |

%Total delta9-THC = % Delta9-THC + (%Delta9-THCA x 0.8772)
Measurement uncertainty for "Total delta9-THC dry weight" is estimated to be +/- 0.0453(95% CL, k=2).
Method Reference: Montana Department of Agriculture, CANNABLCUV_H, Revision 0: November 2019, "Determination of Cannabinoids in Hemp and Hemp Products by Liquid Chromatography-UV Detection."

QA/Technical Reviewer : _____ **Regulatory Reviewer :** _____

Laboratory Bureau
McCall Hall, Montana State University
Bozeman, Montana 59717-3620
Phone (406) 994-3383 Fax (406) 994-4494



CERTIFICATE #2694.01

The results issued on this report only reflect the analysis of the sample submitted.



11.4 Hemp Sample Results letter, Informational

January 21, 2021

<<BUSINESS NAME>>

<<FIRST NAME LAST NAME>>

<<ADDRESS>>

<<CITY, ST ZIP>>

License Number: MTSHP-<<LICENSE #>>-21

RE: **Informational** - THC Analysis Results for Hemp Sample Number: H-_____

Dear <<FIRST NAME LAST NAME>>,

Enclosed you will find the analytical results for the official sample referenced above. The sample was collected under authority of the Montana Code Annotated and the Administrative Rules of Montana. Information related to the sample and the Lot(s) it represents can be found in the enclosed Lab Report.

We are providing these analytical results for your information. The Total Delta 9-THC percentage is within the allowable 0.3% on a dry weight basis and the referenced Lot was compliant with state and federal regulations on the date of sampling. Raw hemp plants and/or plant parts harvested within the allowable time-frame after the official sampling date are free to enter the chain of commerce. A copy of the Lab Report must accompany product from this Lot during distribution.

The department reminds you that Section 80-18-106, MCA requires that each licensee will be responsible for notifying the department of the sale or distribution of any hemp grown by the licensee, including the name and address of the person receiving the hemp. Information on the reporting format and due date is available on our website at <https://agr.mt.gov/hemp>.

If you have any questions, contact me at (406) 444-0512 or by email at angray@mt.gov.

Sincerely,

Andy Gray
Hemp Program Coordinator

Enclosure: Lab Report



11.5 Hemp Sample Results letter, Affidavit

January 21, 2021

<<BUSINESS NAME>>
<<FIRST NAME LAST NAME>>
<<ADDRESS>>
<<CITY, ST ZIP>>

License Number: MTSHP-<<LICENSE #>>-21

CERTIFIED MAIL # _____

RE: **Affidavit** - THC Analysis Results for Hemp Sample Number: H- _____

Dear <<FIRST NAME LAST NAME>>,

Enclosed you will find the analytical results for the official sample noted above. The sample was collected under authority of the Montana Code Annotated and the Administrative Rules of Montana. Information related to the sample and the Lot(s) it represents can be found in the enclosed Lab Report.

We are providing these analytical results for your information. The Total Delta 9-THC percentage is greater than 0.3%, but less than 0.5% on a dry weight basis. As such, the referenced Lot is non-compliant and must be remediated to meet state and federal regulations prior to distribution of raw hemp plants and/or plant parts. Montana considers hemp with a Total THC concentration level of not greater than 0.5% to be in a safe harbor range. This means a violation will not be issued if the license holder agrees to legally dispose of/destroy the Lot or to mitigate the violation through an affidavit process.

If the licensee chooses to remediate the Lot, the department requires an affidavit be signed, notarized and submitted to the department before product from the referenced Lot can be processed, commingled, transported or sold. This letter, a copy of the official state Lab Report, and a copy of the signed Affidavit must accompany any material from this Lot until it becomes a compliant product. A copy of test results showing the product is compliant must also accompany the sale of remediated product from this Lot.

The department reminds you that Section 80-18-106, MCA requires that each licensee will be responsible for notifying the department of the sale or distribution of any hemp grown by the licensee, including the name and address of the person receiving the hemp. Information on the reporting format and due date is available on our website at <https://agr.mt.gov/Hemp>.

If you have any questions, contact me at (406) 444-0512 or by email at angray@mt.gov.

Sincerely,

Andy Gray
Hemp Program Coordinator

Enclosure: Lab Report
Hemp Affidavit

2021 Montana Hemp Plan: 11.5 - Affidavit letter

V1.0-12/29/2020



11.6 Hemp Sample Results letter, Corrective Action Plan

January 21, 2021

<<BUSINESS NAME>>

<<FIRST NAME LAST NAME>>

<<ADDRESS>>

<<CITY, ST ZIP>>

License Number: MTSH- <<LICENSE #>>-21

CERTIFIED MAIL # _____

RE: **Corrective Action Plan** - THC Analysis Results for Hemp Sample Number: H- _____

Dear <<FIRST NAME LAST NAME>>,

Enclosed you will find the analytical results for the official sample noted above. The sample was collected under authority of the Montana Code Annotated and Administrative Rules of Montana. Information related to the sample and the Lot(s) it represents can be found in the enclosed Lab Report.

We are providing these analytical results for your information. The Total Delta 9-THC percentage is above the allowable 0.3% on a dry weight basis and outside the 0.5% safe-harbor range. As such, the referenced Lot is non-compliant and must be remediated to meet state and federal regulations prior to distribution of raw hemp plants and/or plant parts. The product from the referenced Lot cannot be processed, commingled, transported, or sold until this issue is resolved. Options towards resolution include an appeal of the test results or submission of a proposed Corrective Action Plan.

An appeal requires written submission to the Director of why you believe the test results are not accurate and a request of additional testing at the grower's expense. A proposed Corrective Action Plan requires written submission to the Director outlining how you will process the product so that its final Total Delta 9-THC concentration is not more than 0.3%, on a dry matter basis; or, include a plan on how you will legally dispose of or destroy the hemp. Either option must be approved by the department.

The proposed Corrective Action Plan must include: the timeframe in which the plan will begin and end, a list of equipment used, an overview of the process (e.g., extraction and legal disposal of THC), and the party(s) involved. The plan is required to be submitted to the department within 15-business days of receipt of this letter. If you have any questions, contact either Andy Gray at (406) 444-0512, by email angray@mt.gov or Cort Jensen at (406) 444-5402, by email cjensen@mt.gov.

Sincerely,

Andy Gray
Hemp Program Coordinator

Enclosure: Proposal for Correction/Disposal/Destruction Form
Lab Report

2021 Montana Hemp Plan: 11.6 - Corrective Action Plan letter

V1.1-1/21/2021



11.7 Hemp Sample Results letter, Destruction

January 21, 2021

«Business_Name»

«First_NameMI» «Last_Name»

«Mail_Address»

«Mail_City», «Mail_ST» «Mail_Zip»

License Number: MTSHP-«License_Number»-21

CERTIFIED MAIL # _____

RE: **Disposal/Destruction** - THC Analysis Results for Hemp Sample Number: H-_____

Dear «First_NameMI» «Last_Name»,

Enclosed you will find the analytical results for the official sample noted above. The sample was collected under authority of the Montana Code Annotated and the Administrative Rules of Montana. Information related to the sample and the Lot(s) it represents can be found in the enclosed Lab Report.

We are providing these analytical results for your information. The Total Delta 9-THC percentage is above the allowable 0.3% on a dry weight basis and outside the 0.5% safe-harbor range. The test results are also greater than Montana's allowable level of 1.0% to remediate this product. As such, the referenced Lot is non-compliant and constitutes a negligent violation (at a minimum) of the Montana Hemp Plan. Product from the referenced Lot(s) cannot be processed, commingled, transported, or sold. Raw hemp plants and plant parts from this Lot(s) must be legally disposed of or destroyed and requires written approval from the department to do so.

An appeal requires written submission to the Director of why you believe the test results are not accurate and a request of additional testing at the grower's expense. A proposal to destroy requires written submission on the enclosed form to the Director outlining how you will legally dispose of or destroy the hemp. Options depend on whether the crop remains in the field or has been harvested.

The proposal to destroy plan must include: the timeframe in which the plan will begin and end, a list of equipment used, an overview of the process (e.g., incorporation into the field), and the party(s) involved. The plan is required to be submitted to the department within 15-business days of receipt of this letter. If you have any questions, contact either Andy Gray at (406) 444-0512, by email angray@mt.gov or Cort Jensen at (406) 444-5402, by email cjensen@mt.gov.

Sincerely,

Andy Gray
Hemp Program Coordinator

Enclosure: Proposal for Correction/Disposal/Destruction Plan Form
Witness Statement Form
Lab Report

2021 Montana Hemp Plan: 11.7 - Disposal/Destruction letter

V1.0-12/29/20



11.8 Hemp Corrective Action Plan (template)



Corrective Action Plan: HEMP-###-21/Case 21-### (template)

Parties

The State of Montana Department of Agriculture (Department), _____ (Grower) and _____ (Processor).

Summary

_____ (Grower) is a licensed hemp grower (License Number: MTSHP-_____) in the Montana Hemp Pilot program. The Montana Hemp Pilot Program is operated under the 2018 farm bill's extension of the 2014 farm bill hemp pilot program. The pilot program needs to comply with federal (USDA) and State (Montana) laws, rules, and regulations regarding the production of hemp and hemp products.

_____ official hemp samples, as outlined below, were collected by the Department under the program and sent to the Department of Agriculture's Analytical Lab (Lab) for testing.

| License | Entity | Sample Number | Variety | Lot Number | Lot Size | Total delta-9 THC % (dry-matter basis) |
|---------|--------|---------------|---------|------------|----------|--|
| | | | | | | |
| | | | | | | |

The Grower wishes to have the lot(s) listed above processed at a Montana licensed hemp processing facility _____ (License Number: _____) in _____, Montana) that will legally remove and destroy all of the THC.

Issues

There are no pending issues. {or _____}

Agreements

The Department finds that the results of the sample(s) are above 0.3% Total delta-9 THC. Given the nature of hemp harvesting and the proposed sale method, it is more likely than not that the crop in question would not pass the state and/or federal definition of hemp without mitigation. The crop or plant parts from the above-mentioned lots cannot be freely sold as hemp without an approved Corrective Action Plan.

Any blending or dilution of plant materials, in pursuit of lowering the level of Total delta-9 THC %, must be done at a licensed Montana Hemp Processor facility. Seed from said lots must be rendered to a non-propagative state. All products must be rendered into legal products, and additional testing may be required, prior to leaving the state.



_____ in _____, MT will process the raw product so that the derivative contains not more than 0.3% Total delta-9 THC and will assure the extracted THC is legally destroyed and disposed.

The raw product can be transported in its present state to a licensed processing facility in Montana under conditions of this agreement. A copy of this Agreement must accompany the product in transport.

This would count as a strike under Montana's Hemp Pilot Program as the total amount of THC is well above 0.3%, but it appears to have been inadvertent by the Grower. Law enforcement will be informed of the hot sample but will be advised that it has been mitigated under the state pilot program and no additional action is needed or recommended. Grower is reminded that state law requires the tracking of all sales by grower and prohibits selling propagatable hemp material to parties that do not have a state, federal, or tribal license to grow hemp.

Limitations

This consent agreement is not binding against changes and future actions through State or Federal laws, rules, and regulations. Nor does this agreement in any way limit the ability of third parties to take actions against the grower for representations about the hemp crop.

The latitude shown by the Department does not guarantee that other state, federal, or tribal authorities will agree with the definitions and testing results of the Department of Agriculture.

Acceptance or Appeal

You may informally appeal and ask for a final administrative decision by writing the Department and requesting such a hearing, it will be scheduled within 14 days in front of the Director of the Department of Agriculture. You may formally appeal by writing the Department within ten days and requesting a hearing at which time the Department will issue the notice of the hearing.

If you choose to accept and be bound by this consent agreement, you need to sign two copies and send them back to the Department of Agriculture. We will then sign both and mail one back to you.

(Grower) on Behalf of _____ Date _____

Cort Jensen on Behalf of Montana Department of Agriculture Date _____

on Behalf of _____ (Processor) Date _____




11.9 Notice of Violation (template)

| | |
|--|--|
| {template} | |
| January 29, 2021 | |
| | |
| <<Business Name>> | |
| <<F Name>> <<L Name>> | License Number: MTSHP-<<License #>>-21 |
| <<Address>> | |
| <<City ST Zip>> | |
| CERTIFIED MAIL _____ | |
| | |
| RE: Hemp - NOTICE OF VIOLATION | |
| | |
| Dear <<F Name>> <<L Name>>, | |
| | |
| This letter serves as a NOTICE OF VIOLATION and offer of a consent agreement for resolution. | |
| | |
| 1. <<facts of the violations and case, including dates, Lots, responsible party, cooperation, resolution, etc.>> | |
| | |
| Failing to <<List violations>> constitute violations of the Hemp Act. These violations placed <<Licensee>> in the position of being outside the Montana Hemp Act and the protection it offers from criminal prosecutions for violations of state drug law. As <<optional additional details>>, the Department is choosing to view this as a <<negligent / greater than negligent>> violation of the law. | |
| | |
| Under the USDA Hemp Act, these violations could be enough to bar <<Licensee>> for up to 10 years from growing hemp. As Montana is under the pilot program, <<case details>>, the department is issuing this Notice of Violation. This violation will constitute one strike against the license holder. | |
| | |
| If you wish to agree to this penalty, you must sign this agreement and mail the original back to the Department of Agriculture. A signed electronic pdf copy emailed to Andy Gray, Hemp Program Coordinator, will also serve this purpose. If you do not agree to this penalty, you have 14 days to request, in writing, either an informal appeal or a formal hearing with our Director. | |
| | |
| Sincerely, | |
| | |
| Cort Jensen, Chief Attorney Montana Department of Agriculture | |
| | |
| cc: Case File | |
| | |
| <u>Acknowledgement:</u> | |
| <<Licensee>> agrees to the Notice of Violation and the parameters herein. | |
| | |
| _____ Printed Name | _____ Printed Title |
| _____ Signature | _____ Date |
| | |
| Montana Hemp Plan - 11.9-NOV | Page 1 of 1 |
| | V1.0-12/30/2020 |



12. RESEARCH LICENSE FORMS and REPORTS - Illustrated for reference on pages 32 through 36.

12.1 Hemp License Application, Research (Stage 1)



HEMP PROGRAM
PO Box 200201-Helena, MT 59620-0201
hempinfo@mt.gov – (406) 444-5430

2021 INDOOR HEMP RESEARCH LICENSE APPLICATION

No Application deadline • Valid through December 31, 2021

| APPLICANT INFORMATION | | Associated Commercial Hemp Permit/License Number: MTSHP- | | | |
|-----------------------|------------|--|----|------------|--------|
| Business Name | | SOS Number | | EIN Number | |
| Last Name | | First Name | | | MI |
| Physical Address | | City | ST | ZIP | County |
| Mailing Address | | City | ST | ZIP | |
| Phone | Cell Phone | Email | | | |

| NAMES and TITLES of KEY PARTICIPANTS | | | |
|--------------------------------------|-------|-------|-------|
| Full Name | Title | Phone | Email |
| Full Name | Title | Phone | Email |
| Full Name | Title | Phone | Email |
| Full Name | Title | Phone | Email |

Seed/Live Plant Source and Verification - Complete the information for each variety/strain you are applying to grow, all information and attachments are **required**. Use the optional page 2 if necessary. See more detailed instructions on pg 3.

| Variety/Strain | Quantity | Grow Type | Name of Licensed Seed Dealer or Nursery | License Number (of Seed Dealer or Nursery) | Seed or Live Plants? |
|----------------|---------------------------------|-----------|---|---|----------------------|
| | Number of Plants for Indoor (I) | | | | |
| | | | | | |
| | | | | | |
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| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

A non-refundable \$500 application fee is required with this application, see Instructions for details.

ATTESTATION STATEMENT - I hereby certify that the information contained in and submitted with this application is true and correct. Persons who violate federal laws regarding hemp may be subject to federal prosecution. I agree to comply with Section 80-18-101 through 80-18-111, MCA, ARM 4.19.101 - 202, and with other state and federal regulations, including consent to entrance of related properties by department personnel for inspection and testing of hemp. I further acknowledge that I have read, accept, and agree to the conditions outlined in the accompanying Risk Acknowledgement Statement. I further attest that all plants and plant parts grown under this research license will not enter commerce and, other than seed for sequential research generations, will be destroyed when the research is complete.

| | |
|-------------------------|------------------|
| Applicant Printed Name: | Applicant Title: |
| Applicant Signature: | Date: |

2021 MT Hemp Plan: Form 12.1 - Research License Application, Stage 1

Page 1 of 5

V1/6/21



12.2 Hemp Planting Permit certificate, Research



406.444.5430 • Fax: 406.444.9493 • hempinfo@mt.gov • www.agr.mt.gov/hemp

January 6, 2021

<<BUSINESS NAME>>

<<F NAME>> <<L NAME>>

<<ADDRESS>>

<<CITY, ST ZIP>>

Hemp Entity Number: <<ENT #>>

Permit Number: MTSHP-<<ENT>>-21

RE: Hemp Planting Permit for Research

Dear <<F NAME>> <<L NAME>>,

Below is your Hemp Planting Permit. It allows for the purchasing of hemp seed and/or clones, as well as the seeding and transplanting of hemp in Montana during the 2021 calendar year for research purposes only. Stage 2 licensing requirements must be submitted for the permit holder to gain full licensure. Plants and plant parts grown under this license cannot enter commerce and, other than seed for sequential research generations, must be destroyed when the research is complete.

MONTANA DEPARTMENT OF AGRICULTURE
PO Box 200201 - Helena, Montana 59620-0201

2021 HEMP PLANTING RESEARCH PERMIT

This is to certify that

<<Company Name>>

<<F Name L Name>>

<<Address>>

<<City, ST ZIP>>

Permit Number: MTSHP-<<####>>-21

Permit Type: <<Type>>

is permitted by the Montana State Hemp Program to:

Purchase hemp seed and clones

Seed and transplant hemp in Montana

The licensee must report all plantings of hemp to the department and provide additional information for each crop to receive the full licensure of the Hemp Research License. This certificate alone does not constitute full licensure for hemp research.


This License Expires: December 31, 2021

Issue Date: January 6, 2021

Director, Montana Department of Agriculture



12.3 Hemp Planting Report, Research (Stage 2)



HEMP PROGRAM
PO Box 200201-Helena, MT 59620-0201
hempinfo@mt.gov - (406) 444-5430

Montana Hemp Pilot Program

2021 HEMP PLANTING REPORT for RESEARCH LICENSES


| PERMIT INFORMATION | |
|--|--------|
| 2021 Commercial Hemp Permit/License Number | MTSHP- |
| 2021 Research Hemp Permit Number | MTSHP- |
| Permittee Name | |
| Business Name | |

- The Hemp Planting Report must be complete and accurate of all hemp varieties or strains seeded or transplanted. See the enclosed instructions and form for submission of this information.
- If you acquired the Hemp Planting Permit, you **must** submit the Planting Report, regardless of whether you planted or not, or had a crop failure. The Hemp Planting Report submission **due** dates are:
 - Within 4 weeks** after planting seeds, receiving starter-plants, or rooting of clones
 - If a crop, Lot or a certain variety/strain was not planted, report "Not Planted"
 - If a crop, Lot or a certain variety/strain failed and will not be harvested, report "Crop Failed"
 - Late or incomplete submissions are subject to a \$100 late fee.
- The Hemp Planting Report must be received and approved before the Research License can be issued. Allow approximately 3 - 4 weeks for processing of the license.
- The 2021 Research License is required for full licensure, to be exempt from inspection, sampling, and testing, and to be compliant with state and federal regulations. **Any applicant that does not meet the conditions of the Research License will forfeit their Planting Permit and be subject enforcement actions.**
- Plants grown under this research license are subject to inspection, sampling and testing at the discretion of the department.
- Research plants allowed to mature to the point of pollination must be grown in a separate enclosure from commercial plants.

ATTESTATION STATEMENT - I hereby certify that the information contained in and submitted with this application is true and correct. Persons who violate federal laws regarding hemp may be subject to federal prosecution. I agree to comply with Section 80-18-101 through 80-18-111, MCA, ARM 4.19.101 - 202, and with other state and federal regulations, including consent to entrance of related properties by department personnel for inspection and testing of hemp. I further attest that all plants and plant parts grown under this research license will not enter commerce and, other than seed for sequential research generations, will be destroyed when the research is complete.

| | | | |
|-------------------------|--|------------------|--|
| Permittee Printed Name: | | Permittee Title: | |
| Permittee Signature: | | Date: | |

2021 MT Hemp Plan: 12.3 - Research Planting Report Page 1 of 4 V1/6/21



MONTANA HEMP PILOT PROGRAM

2021 HEMP PLANTING REPORT for RESEARCH LICENSES

List each Lot of hemp seeded or transplanted. The number of Lots are determined by variety or strain, location, growing conditions and harvest date. See the Instructions for important information on what must be included in this application and how to complete this form. Detailed aerial maps must be included for each growing location (indoor structure). For research growers with multiple crops per year, multiple reports will be required. If additional space is needed, make a copy of this form and label as Page 3.

| Lot # | Variety or Strain | Quantity of Grow Area | Grow Type | Estimated Harvest Period | Primary Research Goals (e.g., genetics, nutrient, pesticide) | Latitude/Longitude of Center of Indoor Structure | Physical County of Lot | Landowner Name | Landowner Signature |
|-------|-------------------|---------------------------------|-----------|--------------------------|--|--|------------------------|----------------|---------------------|
| | | Number of Plants for Indoor (I) | | | | | | | |
| 1 | | | | | | | | | |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
| 9 | | | | | | | | | |

2021 MT Hemp Plan: 12.3 - Research Planting Report Page 2 of 4 V1/6/21



12.4 Hemp Research License certificate

MONTANA DEPARTMENT OF AGRICULTURE

PO Box 200201
Helena, Montana 59620-0201
(406) 444-5430

Montana State Hemp Program 2021 ANNUAL HEMP RESEARCH LICENSE

This is to certify that

<<BUSINESS NAME>>

<<F NAME>> <<L NAME>>

<<ADDRESS>>

<<CITY, ST ZIP>>

License Number: MTSHP-<<LIC #>>-21

License Type: <<TYPE>>

is authorized to conduct research on the following hemp cultivars from the following locations:

| Crop/Lot Number | Latitude / Longitude | Variety | Category | Lot Quantity | Units | County |
|-----------------|----------------------|---------|----------|--------------|-------|--------|
| / | / | | | | | |
| / | / | | | | | |
| / | / | | | | | |
| / | / | | | | | |
| / | / | | | | | |
| / | / | | | | | |
| / | / | | | | | |
| / | / | | | | | |
| / | / | | | | | |

The licensee has met the requirements of the Montana Hemp Research License. Plants and plant parts cannot enter commerce and, other than seed for sequential research generations, must be destroyed when the research is complete.

This License Expires: December 31, 2021

Issue Date: 6-Jan-21

This certificate must be
available at inspection.

Director, Montana Department of Agriculture



12.5 Annual Hemp Research Report

MONTANA DEPARTMENT OF AGRICULTURE
Montana State Hemp Program
PO Box 200201
Helena, Montana 59620-0201

2021 ANNUAL HEMP RESEARCH REPORT

Report submitted for licensee:

<<F NAME>> <<L NAME>> - <<BUSINESS NAME>> - MTSHP-<<LIC #>> Signature: _____ Date: _____

List the required information for each Lot grown under this research license. Include a short narrative of the goals and the findings for each trial, including the variety or strain, the Lot Number and size, and list any seed retained for future use in future research trials. Your signature attests that all plants and plant parts grown under this research license did not/will not enter commerce and, other than seed for sequential research generations, was/will be destroyed when the research was/is complete.

| Trial ID | Crop/Lot Number | Variety | Original Lot Size | Research Goals | Research Findings | Quantity of Seed Retained (if applicable) |
|----------|-----------------|---------|-------------------|----------------|-------------------|---|
| | / | | | | | |
| | / | | | | | |
| | / | | | | | |